



State of South Carolina
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November Medicare Column
Lt. Governor André Bauer

Welcome to the New Medicare South Carolina
A Checklist for Change

Well, it's almost here. For two years now, President Bush's team at the federal Department of Health and Human Services and the Centers for Medicare and Medicaid Services (CMS) has been working to implement the prescription drug benefit for seniors and the disabled mandated by passage of the Medicare Modernization Act of 2003. And next week, on November 15, insurance companies in South Carolina and elsewhere will begin accepting applications for the new benefit, which will take affect on January 1, 2006.

It's been a long time coming. Almost before the ink was dry on the original Medicare plan back in 1960, prescription drug coverage was cited as a needed addition. In the intervening years, scientific research has blossomed, and the number of diseases that respond successfully to drug therapies has exploded. So has the cost of those therapies. We've all heard horror stories about elderly individuals living on fixed incomes who've had to choose between paying for groceries or life-sustaining medications. Now, those types of situations will hopefully be largely a thing of the past.

So, of course the question now for all South Carolinians is: "Are you ready?" Have you taken the right steps to ensure that you or the loved ones in your family who need this much-anticipated benefit will be covered when the time comes? It is extremely important, and while the process of choosing a plan, enrolling, and applying for help with the costs can be somewhat complicated, there is help available for anyone in South Carolina who needs it.

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The following checklist should help. Please make certain that everyone in your family who is eligible for Medicare has answered the questions or is taking the steps outlined below:

Do you need Medicare prescription drug coverage:

Medicare-approved prescription drug coverage is available for anyone who is eligible for Medicare (individuals age 65 and above or who are disabled), but, it isn't mandatory. Some eligible individuals may be covered through another source, such as a company or government retirement plan. If you already have prescription coverage, you should have received a letter by now from your provider advising you if that coverage will continue after December 31 and if your coverage is "creditable."

If you haven't gotten that letter, contact that provider immediately. If you've gotten a letter, your current coverage is "creditable," and you are happy with it, congratulations, you're finished. Put the letter in a safe place. If you want to change to Medicare drug coverage at a later date, you will be able to without penalty as long as you can prove you had "creditable coverage" the entire time.

If you know that you want Medicare drug coverage, but are concerned about cost:

Medicare prescription coverage is not free, but there is help available with the out-of-pocket costs for people with limited income and assets. The premiums for stand-alone coverage in South Carolina range in price from \$16.57 to \$69.72 per month, depending on the plan you select. Co-payments and deductibles can vary, but the standard coverage plans include a \$250 dollar deductible (you must pay all costs up to \$250) and a "coverage gap" between \$2,250 and \$3,600 (you pay all yearly costs in this range). "Catastrophic" coverage kicks in when your yearly drug costs reach \$3,601. Medicare then picks up 95% for the remainder of the year.

Help with those out-of-pocket costs for people with limited income and assets is available from two sources, Social Security and the State Department of Health and Human Services. Social Security's "extra help" for people with low incomes can help with monthly premium costs, deductible, and with the coverage gap. If you think you may qualify for this help you need to put in an application with Social Security now. Contact your local Social Security Office or call 1-800-772-1213 for an application.

The state's GAPS (Gap Assistance Program for Seniors) can provide help with the coverage gap for some people who do not qualify for the help from Social Security. Contact the South Carolina Department of Health and Human Services at 1-888-549-0820 for more information on eligibility for this program.

If you currently receive both Medicare AND Medicaid:

This group of folks – you'll often hear them referred to as "dual eligibles" – will be automatically enrolled in a coverage plan by CMS, but there are a couple of important things to consider if you or a family member falls in this category.

Some people who are “dual eligible” have full Medicaid benefits and get their prescription drug coverage through Medicaid. Many of these folks are in nursing homes. They will be automatically enrolled in a plan by CMS, but you need to check and make sure that the plan they're enrolled in includes the medications (the “formulary” in Medicare-speak) that they take. So, if you have an older or disabled loved one who currently gets their drug coverage from Medicaid, make sure that when CMS signs them up for a new plan, it's the right one for them. Plans called for CMS to begin those notifications in October, so those individuals should look for mail from CMS advising them of the plan that has been chosen for them, as well as information from the insurance company with plan details. If the plan that's been chosen for them doesn't work for some reason – for instance if they take a prescription drug that it doesn't cover – they will need to apply to change to a different one.

Some people are “partial dual eligibles,” meaning Medicaid only helps with their Medicare premiums. They don't get their prescription coverage from Medicaid. If you fall into that category, your best bet would be to go ahead and enroll in a Medicare plan of your choice now. CMS will automatically enroll the people in that group who don't enroll themselves, but that won't happen until well into 2006, so by waiting, they could miss out on several months of coverage.

Choosing the right plan:

This part can be tough, no question about it. Many people have expressed frustration at the number and different types of plans available. But help exists from a number of different sources, including the Lt. Governor's Office on Aging, and comparing the available plans to get the best one for you is imperative.

Everyone eligible for coverage should by now have received a copy of the official government handbook “Medicare and You 2006” in the mail. If you need one, call 1-800-MEDICARE (1-800-633-4227) to order yours. You can also download the book on the Internet at the Medicare/CMS website: www.medicare.gov. Be sure and get the South Carolina version, it will have information specific to the plans available in our state.

After reading through the book and looking at the plans that are available, if you still have questions (and don't worry, lots of people do), you need to get some help. If you know the number of the Area Agency on Aging that serves your county, call it and ask to speak with a local I-CARE (Insurance Counseling, Assistance and Referral for the Elderly) staff member. Or call the Lt. Governor's Office on Aging in Columbia at 1-800-868-9095 and we'll get you in touch with a local counselor.

I can't say enough good things about the hard work that the I-CARE team members in my office and around the state are doing to help people with this process. Working with volunteers from churches and civic organizations and groups such as the AARP and many, many others, they have crisscrossed the state providing information and helping people get prepared for enrollment. Please don't hesitate to contact them if you need assistance, and please also thank them for the terrific job they are doing for South Carolina when you do.